

*Miami-Dade County
Industrial Development Authority*

Tentative Meeting Agenda

November 3, 2021

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES FOR THE MEETING OF SEPTEMBER 22, 2021
- IV. INDUSTRIAL DEVELOPMENT REVENUE BONDS
 - A. *REPORT/INDUCEMENT*
 - 1. *Atlantic Sapphire USA LLC*
- V. EXECUTIVE DIRECTOR'S REPORT
 - 1. *Selection / Appointment of New Audit Services Firm for fiscal years 2021-2025
(Audit Services Summary and four Proposals attached)*
- VI. ADJOURNMENT

Industrial Development Authority Minutes
(September 22, 2021)



Minutes

**MIAMI-DADE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

Official Summarized Minutes

September 22, 2021

I. CALL TO ORDER

The Industrial Development Authority convened in regular session at 1:35pm in Suite 1730, Brickell City Tower, 80 SW 8th Street, Miami, Florida on Wednesday, September 22, 2021.

II. ROLL CALL

Authority Members Present:

Roberto Pelaez, Chairman
Anthony Okonmah, Vice Chairman
Ian Martinez, Assistant Secretary

Authority Member Excused:

Mario Arus, Assistant Secretary
Jack Delaster, Assistant Secretary

Also Present:

James D. Wagner Jr., Executive Director
Cynthia Castillo, Assistant to Executive Director
Amanda Llovet, Chief Financial Officer
Dale Clark, Assistant County Attorney

III. AUTHORITY MEMBERS

Chairman Pelaez called the meeting to order and requested Mr. Wagner note the roll. Mr. Wagner reported two Authority members requested to be excused from today's meeting. He noted Jack Delaster is in the hospital with pneumonia and Mario Arus had a personal issue. A motion to approve Jack Delaster and Mario Arus' absence was made by Ian Martinez and seconded by Anthony Okonmah. The vote was as follows: Ayes: Ian Martinez, Anthony Okonmah and Roberto Pelaez. Nays: None.

IV. APPROVAL OF MINUTES

Chairman Pelaez requested the members review the minutes of the meeting of June 23, 2021. He stated that if there were no other corrections or additions, a motion to approve the minutes would be in order. After reviewing the minutes, a motion to approve the minutes was made by Ian Martinez and seconded by Anthony Okonmah. The vote was as follows: Ayes: Ian Martinez, Anthony Okonmah and Roberto Pelaez. Nays: None.

V. OLD BUSINESS - NONE

VI. INDUSTRIAL DEVELOPMENT REVENUE BONDS

A. REPORT/INDUCEMENT

1. FL GLOBAL RER WORKFORCE, LLC

Mr. Wagner advised the Authority members that staff and bond counsel Bryant Miller Olive have been working for weeks on the FL Global RER Workforce LLC project. He noted that the Capital Trust Agency, the proposed owner of the project, decided to withdraw from the project resulting in the applicant closing out the project.

VII. EXECUTIVE DIRECTOR'S REPORT

1. ACCEPTANCE OF AUTHORITY'S AUDITED FINANCIAL STATEMENTS

FY 2019 -2020

Chairman Pelaez noted the Authority's annual audit was completed. He inquired if the Authority members had a chance to review the audit. Mr. Wagner requested staff member Amanda Llovet to update the Authority members on the Authority's financial statements for fiscal year 2019-2020. Mrs. Llovet stated a copy of the financial statements were mailed in July to each Board member. She noted the financial statements were submitted in mid-June to the State of Florida and they reviewed, accepted, and posted the financial statements on the State of Florida's website. Ms. Llovet stated the Authority is in compliance with all accounting standards and we have no operational deficiencies. Chairman Pelaez inquired about the depreciation decreasing from \$1,500,000 to \$375,000? Mrs. Llovet responded; the depreciation decreased because the FlightSafety simulators were paid off. Mr. Wagner noted the Authority is still the owner of the land and building.

A motion to accept the audited financial statements for fiscal year 2019-2020 was made by Anthony Okonmah and Ian Martinez. The vote was as follows: Ayes: Ian Martinez, Anthony Okonmah and Roberto Pelaez. Nays: None.

2. APPROVAL OF IDA ANNUAL BUDGET FOR FISCAL YEAR 2021 – 2022

(RESOLUTION NO. 21-1)

Mr. Wagner requested the Authority approve the Authority's fiscal year 2021-2022 proposed operating budget for the same amount as approved for the previous 2 years. Chairman Pelaez requested Mr. Wagner read the resolution. Mr. Wagner introduced a resolution entitled:

RESOLUTION APPROVING MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FISCAL YEAR 2021-2022 BUDGET.

A motion to approve the Resolution was made by Ian Martinez and seconded by Anthony Okonmah. The vote was as follows: Ayes: Ian Martinez, Anthony Okonmah and Roberto Pelaez. Nays: None.

3. **CHAIRMAN ROBERTO PELAEZ**

Chairman Pelaez noted he will be leaving the Industrial Development Authority sometime next year. He further noted it has been a pleasure serving on the Board. Chairman Pelaez thanked all the Authority members.

VIII. ADJOURNMENT

There being no further business to come before the Authority, Chairman Pelaez adjourn the meeting at 2:00pm. A motion to adjourn the meeting was made by Ian Martinez and seconded by Anthony Okonmah. The vote was as follows: Ayes: Ian Martinez, Anthony Okonmah and Roberto Pelaez. Nays: None.

PREPARED BY: _____

APPROVED BY: _____

DATE: _____

Atlantic Sapphire USA LLC



Report/Inducement

ATLANTIC SAPPHIRE USA LLC

THE COMPANY

The Atlantic Sapphire USA LLC (“AS”) is a land-based salmon farming company with production operations located at 22275 SW 272nd Street, in the City of Homestead, Florida, (the “Homestead Bluehouse”). AS is a Florida limited liability company, which is directly and wholly owned by Atlantic Sapphire ASA, the parent company that is publicly listed on the Oslo Børs Stock Exchange located in Oslo, Norway. AS uses Bluehouse production technology, which was developed by AS in collaboration with a wide range of supply chain partners, to optimize growing conditions for Atlantic salmon. The Homestead Bluehouse contains all facilities needed for a salmon’s full growth cycle, from an egg hatchery to grow out tanks to harvest processing capabilities. Consolidated operations enable AS to control the entire production cycle without having to transport salmon to sea-based net pens. The Homestead Bluehouse has a current production capacity of approximately 9,500 tons.

AS began construction of the Homestead Bluehouse in 2018. As portions of the facility were completed, such sections were commissioned for use in phases beginning with the hatchery and progressing through the tanks supporting each stage of the salmon growth cycle so that AS could commence production at the facility. As such, AS made significant capital expenditures in connection with the design, construction and real property improvements, together with investments in hiring additional employees, all in order to support the planned capacity expansion. Construction work on the Homestead Bluehouse under Phase I has been completed at a cost approximating \$225,000,000 but is pending completion of final inspections and issuance of certain permits. AS completed the first commercial harvest from its Homestead Bluehouse on September 29, 2020.

PHASE II / THE PROJECT

AS is requesting tax-exempt Solid Waste Disposal Revenue Bond financing in an amount not to exceed \$175,000,000 to provide financing for waste water treatment expenditures related to its Phase II capacity expansion. Phase II consists of financing (a) construction of a waste water treatment plant within the Homestead Bluehouse property, (b) site improvements, (c) building construction, (d) acquisition of equipment to be used at the Homestead Bluehouse, (e) construction of additional wells and (f) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them into service. In addition to the bond financing, the company plans to provide an equity contribution approximating \$50,000,000 to complete the Phase II expansion for a total capital investment of an additional \$225,000,000.

The Phase II capacity expansion will add an additional 9,500 tons in annual production capacity. AS has entered into contracts with Hazen and Sawyer and Wharton Smith Inc. with respect to the design and construction of its planned Phase II capacity expansion. Construction has started and 1/3 of the capacity is expected to be completed by mid-2022. Ramp-up in harvest volume is expected in the first quarter of 2023, and full steady state Phase II production is expected in the third quarter of 2023 with annualized production of 25,000 tons. Following such expansion, AS has targeted, subject to future approvals, to gradually expand production at the Homestead Bluehouse to 220,000 tons in annual production capacity by 2031.

Elements of the proposed project include:

1. Waste Water Treatment Plant & Related Construction: ----- \$195,915,000
2. Machinery & Equipment: ----- \$ 10,720,000
3. Engineering & Architecture: ----- \$ 9,000,000

FINANCIAL SUFFICIENCY

AS has provided audited financial statements for the fiscal year ended December 31, 2020, as well as unaudited financial statements for the 6-month period ended June 30, 2021. AS' financial statements prior to 2020 are available online www.atlanticsapphire.com.

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Issue Proceeds*	\$175,000,000	Waste Water Treatment Plant & Related Construction	\$195,915,000
Equity Contribution	50,000,000	Machinery & Equipment	10,720,000
		Engineering & Architecture	9,000,000
		Project Delivery Costs	5,365,000
		Bond Issuance Expenses	4,000,000
TOTAL	<u>\$225,000,000</u>	TOTAL	<u>\$225,000,000</u>

* Any costs related to the bond issue and development of the projects which cannot be paid out of bond proceeds will be borne by AS.

Information relative to the proposed financial structure includes:

- Financial Structure: Corporate Debt, subject to approval from existing lenders.
- Marketing: Limited public offering to institutional/accredited investors.

LEGAL

The proposed projects qualify under Federal regulations that provide capital expenditures for solid waste disposal activities may be financed with Tax-Exempt Solid Waste Disposal Revenue Bonds. Issuance allocation for the bonds is required and will be requested from the Florida First Business allocation pool (F.S. 159.8083). It is not anticipated any local issuance allocation will be used for these projects.

If accepted for processing by the Authority, the project will be referred to the County Attorney's Office and Bond Counsel for review and comment.

ECONOMIC IMPACT

AS reports it currently employs approximately 170 people and projects approximately 100 additional employees will be added as the company completes its scheduled expansion program at its Homestead location with an annual payroll in excess of \$10.7 million. In addition, AS employs numerous contractors and subcontractors at its Homestead Bluehouse. The Homestead Bluehouse also pays various permit fees and operational license fees.

Other economic benefits related to the completion of the proposed projects will include an increase in new taxable capital investment, assisting AS to continue to provide safe and local, sustainably-raised protein in the State of Florida.

A RESOLUTION OF THE MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT SOLID WASTE DISPOSAL REVENUE BONDS OF THE AUTHORITY IN AN AMOUNT NOT TO EXCEED \$175,000,000 IN ONE OR MORE SERIES TO FINANCE A PROJECT FOR THE BENEFIT OF ATLANTIC SAPPHIRE USA LLC, A FLORIDA LIMITED LIABILITY COMPANY WHOLLY OWNED BY ATLANTIC SAPPHIRE ASA; APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE AUTHORITY AND THE COMPANY; SETTING FORTH THE TERMS AND CONDITIONS UNDER WHICH SUCH SOLID WASTE DISPOSAL REVENUE BONDS WILL BE SOLD AND ISSUED TO FINANCE SUCH PROJECT; AUTHORIZING THE EXECUTION THEREOF; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Miami-Dade County Industrial Development Authority (the "Authority") has been requested by Atlantic Sapphire USA LLC, a Florida limited liability company (the "Company") wholly owned by its parent company Atlantic Sapphire ASA, to issue Bonds in an aggregate principal amount not to exceed \$175,000,000 in one or more series to provide proceeds to finance necessary solid waste disposal facilities relating to land-based salmon farming located at 22275 SW 272nd Street, Homestead, Florida in Miami-Dade County, and to pay certain bond issuance costs (collectively, the "Project"), all as more particularly described in "Appendix 1" hereto;

WHEREAS, the acquisition, construction and equipping of the Project within Miami-Dade County meets the requirements of Part III, Chapter 159, Florida Statutes, for the issuance of Bonds of the Authority; and

WHEREAS, it is appropriate to execute a Memorandum of Agreement between the Authority and the Company to evidence the agreement between them as to the terms and conditions under which said Bonds are to be issued;

NOW THEREFORE, BE IT RESOLVED BY THE MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY:

SECTION 1. The Authority is hereby authorized, pursuant to the provisions of Chapter 159, Parts II and III, Florida Statutes, to issue its Miami-Dade County Industrial Development Authority Industrial Development Solid Waste Disposal Revenue Bonds (Atlantic Sapphire USA LLC Project) in one or more series in an aggregate principal amount not to exceed \$175,000,000 (the "Bonds") having a final maturity of not to exceed forty (40) years, bearing interest at such rate or rates as shall not exceed the maximum rate of interest allowed by law and having such other terms as shall be established by subsequent resolution of the Authority, which may be the resolution providing for the sale of the Bonds to the original purchaser thereof. Said Bonds shall be issued under a trust indenture or financing agreement to be established by the Authority under which a bond trustee shall certify as to the proper expenditure of the proceeds of the Bonds, and if the Bonds are validated, the trustee shall be acceptable to the court as required by Section 75.04(2), Florida Statutes. The Bonds are to be sold and issued only upon compliance with the terms and conditions set forth in the Memorandum of Agreement between the Authority and the Company substantially in the form which is attached hereto as "Appendix 1". The Memorandum of Agreement is hereby approved, and the Chairman or Vice Chairman and the Secretary Ex-Officio or Assistant Secretary of the Authority are hereby authorized to execute said Memorandum of Agreement in substantially the form attached hereto, with such changes, omissions and insertions as they shall approve, not inconsistent with the provisions thereof, after approval as to legal sufficiency by the County Attorney and Staff Counsel.

SECTION 2. This resolution relating to the issuance of bonds on behalf of Atlantic Sapphire USA, LLC shall take effect immediately upon adoption.

PASSED AND ADOPTED this 3rd day of November, 2021.

MIAMI-DADE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Name: Roberto Pelaez
Title: Chairman

ATTEST:

By: _____
Name: James D. Wagner, Jr.
Title: Secretary Ex-Officio

Approved as to Form and Legal Sufficiency:

By: _____
Name: _____
Title: Assistant County Attorney for
Miami-Dade County

Executive Director's Report



*Selection / Appointment of New Audit Services Firm for fiscal years 2021-2025
(Audit Services Summary and four Proposals attached)*

AUDIT SERVICES PROPOSALS SUMMARY

	AUDIT FIRM	Brief Introduction:	Independency and License to Practice	Partner in charge and Experience	Resumes of Key Personnel	Peer Review Report Rating	References	Compliance with all Proposal Requests	Proposed Fee Structure														
1	SK&T,LLP	Over 43 years experience with public sector audits (70% of audits are government and non-profits)	Yes (confirmed license in the State of FL)	Ritchie Tandoc 28 years in government audits	Yes	Pass, 11/12/2019	Yes	Yes	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Fee</td> <td></td> </tr> <tr> <td style="text-align: right;">2021 \$</td> <td>22,500</td> </tr> <tr> <td style="text-align: right;">2022 \$</td> <td>22,500</td> </tr> <tr> <td style="text-align: right;">2023 \$</td> <td>23,300</td> </tr> <tr> <td style="text-align: right;">2024 \$</td> <td>23,300</td> </tr> <tr> <td style="text-align: right;">2025 \$</td> <td>23,300</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>\$ 114,900</td> </tr> </table>	Fee		2021 \$	22,500	2022 \$	22,500	2023 \$	23,300	2024 \$	23,300	2025 \$	23,300	Total	\$ 114,900
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Total	\$ 114,900																						
2	RSM US, LLP	5th largest accounting firm and its single largest industry is government clients in Florida	Yes (confirmed license in the State of FL)	Brett Friedman 26 years in government audits Previously audited the Authority	Yes	Pass, 12/5/2019	Yes	Yes	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Fee</td> <td></td> </tr> <tr> <td style="text-align: right;">2021 \$</td> <td>40,000</td> </tr> <tr> <td style="text-align: right;">2022 \$</td> <td>40,000</td> </tr> <tr> <td style="text-align: right;">2023 \$</td> <td>42,000</td> </tr> <tr> <td style="text-align: right;">2024 \$</td> <td>42,000</td> </tr> <tr> <td style="text-align: right;">2025 \$</td> <td>44,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>\$ 208,000</td> </tr> </table>	Fee		2021 \$	40,000	2022 \$	40,000	2023 \$	42,000	2024 \$	42,000	2025 \$	44,000	Total	\$ 208,000
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Total	\$ 208,000																						
3	CFL&G, LLP	Over 40 years experience with public sector audits (85% of audits are government and non-profits)	Yes (confirmed license in the State of FL)	Enrique Llerena 16 years in government audits	Yes	Pass, 7/31/2018	Yes	Yes	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Fee</td> <td></td> </tr> <tr> <td style="text-align: right;">2021 \$</td> <td>35,000</td> </tr> <tr> <td style="text-align: right;">2022 \$</td> <td>36,100</td> </tr> <tr> <td style="text-align: right;">2023 \$</td> <td>37,200</td> </tr> <tr> <td style="text-align: right;">2024 \$</td> <td>38,300</td> </tr> <tr> <td style="text-align: right;">2025 \$</td> <td>39,400</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>\$ 186,000</td> </tr> </table>	Fee		2021 \$	35,000	2022 \$	36,100	2023 \$	37,200	2024 \$	38,300	2025 \$	39,400	Total	\$ 186,000
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Total	\$ 186,000																						
4	KPMG, LLP	4th largest accounting firm	Yes (confirmed license in the State of FL)	Lori Nissen 30 years in government audits Current Auditor	N/A	Pass, 11/17/2020	No	No	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Fee</td> <td></td> </tr> <tr> <td style="text-align: right;">2021 \$</td> <td>45,000</td> </tr> <tr> <td style="text-align: right;">2022 \$</td> <td>49,500</td> </tr> <tr> <td style="text-align: right;">2023 \$</td> <td>54,450</td> </tr> <tr> <td style="text-align: right;">2024 \$</td> <td>56,000</td> </tr> <tr> <td style="text-align: right;">2025 \$</td> <td>57,750</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>\$ 262,700</td> </tr> </table>	Fee		2021 \$	45,000	2022 \$	49,500	2023 \$	54,450	2024 \$	56,000	2025 \$	57,750	Total	\$ 262,700
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